

## Message Text

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ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 CIAE-00 DODE-00  
NSAE-00 NSCE-00 SSO-00 ICAE-00 INRE-00 AGRE-00  
CEA-01 COME-00 EB-08 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 PA-01 CTME-00 AID-05 SS-15 ITC-01  
TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 JUSE-00 OIC-02  
AF-10 ARA-10 EA-10 EUR-12 NEA-11 /153 W  
-----046506 191918Z/43

O 191856Z MAY 78

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 9914

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 07793

USMTN

PASS STR ELECTRONICALLY FOR AMBASSADORS STRAUSS AND WOLFF

E.O.11652:N/A

TAGS: ETRD, MTN

SUBJECT: PARTICIPATION OF LDC'S IN JULY 15 AGREEMENTS

REF: STATE 115879

1. IN A DETAILED REVIEW BY THE LDC RELATIONS COMMITTEE THIS WEEK, IT WAS CONCLUDED THAT WE ARE WELL BEHIND OUR TARGET AIMS FOR AN ACCEPTABLE LEVEL OF LDC PARTICIPATION IN AND SUPPORT FOR THE AGREEMENTS SOUGHT FOR JULY 15. DURING MCDONALD'S VISIT TO WASHINGTON TEN WEEKS AGO, DURING MEETINGS WITH THE STR STAFF (MARCH 2), TPSC (MARCH 3), AND TPRG (MARCH 6), IT WAS POINTED OUT THAT WE SHOULD TRY TO COMPLETE THE U.S. POSITIONS TO FINISH BILATERAL NEGOTIATIONS, GAIN SETTLEMENTS ON S&D PROVISIONS IN THE CODES, AND CONCLUDE POSITIONS ON FRAMEWORK NO LATER THAN THE END OF MAY. OUR HOPE WAS THAT OVER THE THREE- LIMITED OFFICIAL USE

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MONTH PERIOD WE COULD FINALIZE OUR POSITION AND ATTEMPT TO CARRY THE LDC'S ALONG WITH US FOR THE LAST SIX WEEKS TO BUILD THEIR ENTHUSIASM FOR THE TOKYO ROUND RESULTS. EVEN WITH SOME POSITIVE SIGNS OF POSSIBLE CONTRIBUTIONS FROM CAPITALS, OUR PRESENT SLOW PACE ON THE BROAD SCOPE OF THEIR INTERESTS PLACES A HIGH PROBABILITY ON AN LDC REJECTION OR AT LEAST NON-IDENTIFICATION WITH THE JULY 15 RESULT.

CONSEQUENTLY, WE FEEL THAT A MAJOR EFFORT IS REQUIRED IN GENEVA, IN WASHINGTON, AND BY SELECTED EMBASSIES TO RE-COVER LOST GROUND WITHIN THE NEXT 30 DAYS.

2. WE ARE ACTIVELY PURSUING DISCUSSIONS BASED ON THE INSTRUCTIONS ALREADY RECEIVED, RECOGNIZING THEY ARE IN-COMPLETE FOR OUR FINAL NEEDS. IN AREAS IN WHICH OUR INSTRUCTIONS DO NOT SET FORTH TOLERABLE RANGES IN U.S. POSITIONS FOR NEGOTIATION, WE WILL PURSUE DISCUSSIONS WITH BOTH LDC'S AND DC'S IN AN ATTEMPT TO IDENTIFY WHAT FEASIBLE POSITIONS MIGHT BE REALISTIC AT THE END OF THE DAY. WE WILL THEN COMMUNICATE THESE TO WASHINGTON FOR POLICY REVIEW IN CASES IN WHICH WE HAVE NOT ALREADY RECEIVED NEGOTIATING GUIDANCE.

3. WE NEED PROMPT ASSISTANCE FROM WASHINGTON IN THE FOLLOWING AREAS:

A) PRODUCT RESPONSES TO AGRICULTURAL REQUESTS: TO DATE ONLY THE INITIAL REQUESTS OF ARGENTINA, PHILIPPINES, BRAZIL, INDIA AND THE ASEANS HAVE FOR THE MOST PART BEEN MADE. WE NEED DECISIONS ON OTHER LDC REQUESTS TO INCLUDE IN OUR NEXT ROUND OF BILATERALS BEGINNING IN TEN DAYS. IN CASES IN WHICH OUR RESPONSES MAY DEPEND ON SOME REASONABLE CONTRIBUTIONS FROM REQUESTING COUNTRIES, THEN WE WOULD BE PLEASED TO HAVE OFFERS CON-LIMITED OFFICIAL USE

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DITIONED ACCORDINGLY.

B) REQUESTS FOR TARIFF S&D: AT LATEST COUNT, WE HAVE SOME EXPECTATIONS THAT AT LEAST 15 LDC'S WILL HAVE OFFERS ON THE TABLE BY MID-JUNE (BRAZIL, ARGENTINA, ASEAN--ALL 5, CHILE, INDIA, ISRAEL, DOMINICAN REPUBLIC, KOREA, YUGOSLAVIA, MEXICO AND EGYPT). SEVERAL OTHERS WILL PROBABLY ALSO TABLE OFFERS IDENTIFY-ING RECENT OR CURRENT TRADE LIBERALIZATION ACTIONS AS CONTRIBUTIONS. WE WOULD APPRECIATE SOME NEGOTIATING FLEXIBILITY SO THAT WE CAN CARRY OUT PRODUCTIVE BILATERALS WITH ALL IMPORTANT LDC'S PRIOR TO JUNE 15. ALTHOUGH WE RECOGNIZE OUR INDUSTRIAL TARIFF OFFER APPROACHES A MAXIMUM LEVEL, WE WOULD WELCOME AS MANY SPECIFIC INSTANCES AS POSSIBLE OFFERING SUCH ACTIONS AS STAGING FASTER REDUCT-IONS THAN CALLED FOR BY WORKING HYPOTHESES, EX-OUTS, AND ANY OTHER DEEMED REASONABLE. AGAIN, WE WOULD BE PLEASED TO HANDLE THESE AS CONDITIONAL OFFERS TO BE RELATED TO THEIR CONTRIBUTIONS IF WASHINGTON THINKS THIS APPROACH PREFERABLE. EVEN FOLLOWING THIS SCHEDULE, IT IS HIGHLY PROBABLE THAT WE WILL STILL NEED TO CONTINUE SPECIFIC NEGOTIATIONS WITH LDC'S AFTER JULY 15 BUT WE MUST HAVE A

SUFFICIENTLY COMPLETE PACKAGE IN VIEW TO GIVE CREDIBILITY  
TO THEIR PARTICIPATION IN THE AGREEMENTS OF THAT DATE.

4. AS FOR S&D IN THE CODES, WE ARE BROADENING OUR CONTACTS AND DISCUSSIONS ON THESE TOPICS IN THE FOLLOWING WAYS: REQUESTING THE GATT SECRETARIAT TO CIRCULATE ALL TEXTS UNDER DISCUSSION ON OR ABOUT JUNE 1; MEETING EXTENSIVELY WITH LDC'S IN INFORMAL GROUPS (AS WE HAVE ALREADY BEGUN IN THE FRAMEWORK CONTEXT) TO EXPLORE REALISTIC S&D OPTIONS; MEETING WITH DC'S FOR THE SAME PURPOSE; SUPPLEMENTING THESE WITH SESSIONS WITH KEY COUNTRIES WHO SHOULD DEFINITELY ACCEDE TO THE CODES.

5. LEAST DEVELOPED--NO SIGNIFICANT PROPOSALS HAVE BEEN  
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ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15  
JUSE-00 OIC-02 AF-10 ARA-10 EA-10 EUR-12 NEA-11  
NSCE-00 SSO-00 ICAE-00 INRE-00 /153 W  
-----046573 191919Z /43

O 191856Z MAY 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC IMMEDIATE 9915

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MADE THAT ADDRESS PARAGRAPH 6 OF THE TOKYO DECLARATION.  
THEIR SUPPORT OF AN MTN PACKAGE IS HIGHLY DESIRABLE,  
HOWEVER, AND IS PARTICULARLY IMPORTANT FOR FORCING A

FAVORABLE DECISION ON GRADUATION BY MORE ADVANCED LDC'S.  
WE ARE EXPLORING THE FEASIBILITY OF A PACKAGE FOR THEM  
BASED ON LIMITED FORMS OF RECIPROCITY (SUCH AS ADHERENCE  
TO ADMINISTRATIVE CODES). SINCE THIS IS RELATIVELY SLIM,  
WE WOULD LIKE WASHINGTON TO ASSESS ANY POSSIBILITIES  
OF COMMITTING ON JULY 15 TO UNILATERAL AND EARLY IMPLI-  
MENTATION OF SOME PART OF OUR OFFER ON PRODUCTS OF  
SPECIFIC BENEFIT TO THEM.

6. FRAMEWORK--KEY DECISIONS STILL LACKING ON THE U.S.  
POSITION ON AN ENABLING CLAUSE AND GRADUATION. WE ARE  
CONCERNED THAT THE CONTINUING POSTURING BY THE U.S. WITH-  
OUT A POSITIVE AND REALISTIC PROPOSAL IS FORCING LDC'S  
INTO A MORE ADAMANT POSITION, THEREBY REDUCING OUR ROOM  
FOR MANEUVER. A POSITIVE NEGOTIATING INITIATIVE IS  
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NEEDED SOON. THEREFORE, WE WILL MAKE A PROPOSAL OF  
SPECIFIC LANGUAGE TOWARD CLOSING OUT THESE ISSUES WITHIN  
THE NEXT FORTNIGHT IF NO INSTRUCTIONS ARE FORTHCOMING  
BEFORE THAT TIME. ALTHOUGH WE APPRECIATE THE WASHINGTON  
INITIATIVE ON INFANT INDUSTRY, IT APPEARS TO REPRESENT  
AN ACTUAL TIGHTENING OF ARTICLE XVIII (A) FROM AN LDC  
PERSPECTIVE AND THEREFORE MAY NOT CONTRIBUTE TO OUR OBJEC-  
TIVE OF INCREASING LDC BINDINGS.

7. AT A GATT 7 PLUS 7 ON THURSDAY, MCDONALD EMPHASIZED IN  
HIS REMARKS THAT THE TIME IS NOW FOR LDC CONTRIBUTIONS  
AND REALISTIC DISCUSSIONS OF PRACTICAL S&D ALTERNATIVES.  
WE WILL CONTINUE TO PRESS THIS POINT IN DISCUSSIONS WITH  
DELEGATIONS IN GENEVA AND MAY WELL REQUEST SHORTLY  
FURTHER ASSISTANCE FROM OUR EMBASSIES IN SELECTED CAPITALS  
TO MAKE SURE THAT WE HAVE POSITIVE CONTRIBUTIONS FROM AS  
MANY COUNTRIES AS POSSIBLE ON THE TABLE BY JUNE 15,  
LEAVING US AT LEAST ONE MONTH TO FRAME THE SEMBLANCE OF AN  
OVERALL AGREEMENT WITH THEM. MCDONALD

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, LESS DEVELOPED COUNTRIES, PROGRESS REPORTS, RELATIONS WITH REGIONAL ORGS  
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**Draft Date:** 19 may 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
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